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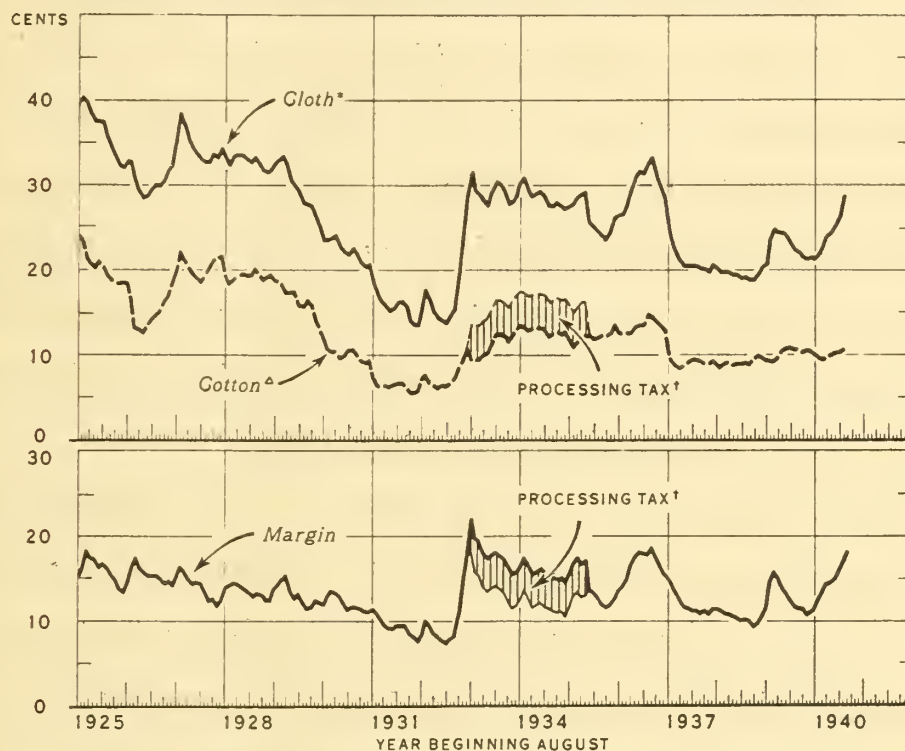
BUREAU OF AGRICULTURAL ECONOMICS
UNITED STATES DEPARTMENT OF AGRICULTURE

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BAE

APRIL 1941

PRICES OF RAW COTTON AND OF CLOTH*, AND
MANUFACTURERS' GROSS MARGIN, 1925-41



* WHOLESALE PRICE OF CLOTH OBTAINABLE FROM POUND OF COTTON (AVERAGE
17 CONSTRUCTIONS OF UNFINISHED CLOTH. F. O. B. MILL)

^ SPOT PRICE PER POUND IN SOUTHERN MARKETS OF AVERAGE GRADES AND
STAPLES COMMONLY USED IN PRODUCTION OF CLOTH QUOTED

† 4 CENTS PER POUND ON RAW COTTON

U. S. DEPARTMENT OF AGRICULTURE

NEG. 26327 BUREAU OF AGRICULTURAL ECONOMICS

UNDER THE STIMULUS OF INCREASING INDUSTRIAL AND CONSUMER DEMAND AND LARGE GOVERNMENT PURCHASES OF COTTON TEXTILES, DOMESTIC PRICES OF UNFINISHED COTTON TEXTILES AND THE MARGINS BETWEEN THESE AND COTTON PRICES HAVE ADVANCED SHARPLY DURING THE PAST SEVERAL MONTHS. PURCHASING FOR INVENTORY TOGETHER WITH COMMITMENTS FOR AN UNUSUALLY LONG PERIOD IN ADVANCE MAY ALSO HAVE BEEN FACTORS IN THESE GAINS. SINCE LAST OCTOBER THE MARGINS HAVE INCREASED DESPITE ADVANCING COTTON PRICES.

THE UNUSUALLY HIGH MARGINS IN RECENT WEEKS ARE DUE LARGELY TO THE HEAVY DEMAND FOR COTTON GOODS IN RELATION TO CURRENT OUTPUT AND TO INCREASES AND PROSPECTIVE INCREASES IN MANUFACTURING COSTS.

T H E C O T T O N S I T U A T I O N

Summary

Domestic cotton consumption in March established a new high record of 854,000 bales. The seasonally adjusted index of cotton consumption also made a new record in March of 147 percent of the 1935-39 average. Likewise, the index of cotton mill activity, based on 80 hours per week operation, rose to 116.7 percent of capacity in March to break the record set in February.

During March the volume of unfilled orders is reported to have increased about one-fourth. The slackening in sales during recent weeks has decreased the volume slightly since April 1, but the backlog of unfilled orders is still large enough to insure a record level of consumption well into next season. Textile prices have advanced sharply in recent months and manufacturers' gross margins have widened materially.

The price of Middling 15/16-inch cotton in the 10 markets established a new high for the season of 11.22 cents per pound on April 14. With the exception of one day in December 1939 this was the highest price since August 1937. The price rise which has been in progress since mid-October is attributed largely to speculation that the price will be supported at higher levels next season than this by higher Government loan rates on the 1941 crop and to greatly improved domestic demand. One of the responses to the higher prices has been the withdrawal of 1-1/4 million bales of cotton from the 1940 Government loan, two-thirds of which has occurred during the past 5 weeks.

As a result of developments in the war situation the Liverpool Cotton Exchange was closed on March 31 for an indefinite period, and prices were fixed for the 4 months April-July at the official level prevailing on that date.

Exports from the United States totaled 830,000 bales for the first two-thirds of the current season, a reduction of 85 percent from last year's level. Exports from Egypt are also greatly restricted this season but Brazil exported one-third more cotton through February than a year ago. During the first 7 months of last season Brazil exported 10 percent as much cotton as the United States but this year the proportion has risen to 93 percent. This great increase in Brazilian exports and some of the decrease in American exports largely results from the price disparity which exists between the two growths. Normally, the prices are very near each other but this season there has been a price difference of from 1-1/2 to 3 cents per pound in a number of the world markets. Consequently, many foreign mills are shifting from American cotton to less expensive Brazilian cotton.

Japan reports an increased demand for textiles and the belief that Japan will fall heir to much of the market Europe is no longer able to supply because of war.

-- April 28, 1941.

PRICES

BACKGROUND.- During the past 25 years the 10-market price of Middling 15/16-inch cotton ranged from a high of about 42 cents per pound in April 1920 to a little over 5 cents in June 1932 and averaged 10.05 cents during the 10-year period 1930-39. With the business recession of 1937 and the bumper crop of that year, domestic prices declined from a 7-year high of 18-3/4 cents in March 1937 to 8-1/4 cents in November 1937. Prices then remained mostly below 10 cents until December 1939, when they rose sharply but only briefly to above 11 cents. Recently average prices in the 10 markets have again recovered to above 11 cents and in mid-April were about equal to or higher than at any time since August 1937.

In past years prices of comparable qualities of Brazilian cotton have been very near those of American cotton in any given market. For the past two seasons, however, they have been lower than the price of American cotton for a considerable part of the time. Egyptian and Indian cotton have

also recently been selling at prices considerably below what is considered normal in relation to prices for American.

Domestic price establishes new high for
season; Liverpool Cotton Exchange closes

After declining from about 10-3/4 cents per pound in June 1940 to about 9-1/4 cents last October, the domestic price of Middling 15/16-inch cotton began a rather consistent rise. In mid-March the price rose to new high ground for the season and by late March pushed above 11 cents, where it has remained during most of April. The peak of 11.22 cents per pound on April 14 was followed by a gradual decline, and on April 26 the 10-market average was 11.02 cents per pound, a net advance over March 26 of about one-third cent. With the exception of the December 13, 1939 price, the new high of 11.22 was the highest since August 1937. The recent price advance in central markets suggests a rise in the farm price which on March 15 averaged 9.72 cents per pound or 28 points over February.

The strength in domestic prices in recent months has been rather generally attributed to the improving outlook for domestic consumption and speculation in the trade that raw cotton prices will be supported at higher levels next season than this by higher Government loan rates on the 1941 crop.

During the month ended April 26 futures prices at New York showed net advances of from 29 to 52 points per pound compared with one-third cent for spots. The net changes were such that the prices of all of the various contracts tended to come more nearly together at a level about one-third cent higher than the highest a month ago and the range between months narrowed from 20 points to 4 points.

The Liverpool Cotton Exchange was closed on March 31 for an indefinite period by the Liverpool Cotton Association. This action was taken following the decision of the Government to be the sole importer of raw cotton. Since this is the only market on which cotton from all of the leading cotton exporting countries is quoted regularly, its closing will make it increasingly difficult to study the price ratios of various growths to American.

It was recently announced in London that raw cotton prices, which since April 1 have been set at the level of the official maximum prices quoted on the Liverpool Cotton Exchange on March 31 will remain at that level until July 31.

During the 4 weeks ended March 28 prices of American and Brazilian cotton at Liverpool continued to coincide and both made gains of 60 points, table 1. Indian gained 61 points whereas Egyptian gained only 1 point. The only significant change in the relative competitive position of these growths was in the case of Egyptian, the relative position of which improved. During the same period there were much wider variations in the behavior of prices in the exporting countries. Brazilian at Sao Paulo declined 4 points while American at New Orleans advanced 67 points and Indian at Bombay advanced 1.07 cents per pound, table 2. By April 18, however, the price of Brazilian

had gained while Indian and American declined so that prices were more nearly in line than they were on March 28.

Although prices of Brazilian cotton at Liverpool have been the same as American since January, there has been a price difference of from 1-1/2 to 3 cents per pound favoring Brazilian cotton in several of the other import markets of the world. This relative cheapness of Brazilian cotton in terms of American has enabled many spinners in Canada, Japan, and China to shift to Brazilian.

EXPORTS

BACKGROUND.- During the last 100 years or more United States exports of cotton have almost invariably been equal to between two-fifths and four-fifths of the current season's crop. Since the Civil War period this was true each season through 1936-37. From 1918 to 1937 annual domestic exports ranged between approximately 5 and 11 million bales of cotton, and despite the downward trend of recent years averaged 6.3 million bales for the 10 years ended July 1940. Prior to the outbreak of the present war total exports of foreign cotton were trending sharply upward, particularly so during the last several years of the period. Most of this gain in the latter years was due to increased exports from Brazil and a number of smaller exporting countries, even though exports both from India and Egypt in 1936-37 were about equal to or in excess of those in any previous season.

Since the beginning of the present war exports of American and foreign cotton have been greatly reduced. Military blockades, limited shipping facilities, and import restrictions by foreign Governments in order to conserve foreign exchange or labor and other productive facilities have been largely responsible for this decline. These factors plus the relatively high domestic loan rates and market prices have restricted exports from the United States much more than those from most other countries.

American exports decline 85 percent; Brazilian exports increase one-third over a year ago

Exports totaled only 830,000 bales for the first two-thirds of the current season. This compares with 5.4 million bales a year ago and 4.4 million bales during the corresponding months of the 5 years 1935-39, tables 3 and 4. The United Kingdom has been our largest customer, taking approximately two-fifths of our exports of cotton. Russia continues in second place despite its having taken no cotton since early December. Canada is now in third place with 126,000 bales, or 15 percent of the total, but by the end of April it will probably move up and occupy second place. Other countries receiving from 27,000 to 58,000 bales during the first 8 months of this season are Japan, China, Sweden, and French Indochina.

During March exports of cotton from the United States totaled 97,000 bales, a reduction of 88 percent from the previous March and 86 percent from the 1935-39 March average. Only Canada, Sweden, China, and French Indochina took as much as 9,000 bales during the month. The remainder was distributed among seven other countries.

During the 7 months August-February, Brazil exported 683,000 bales compared with 511,000 bales during the corresponding period last season, a gain of 34 percent, tables 4 and 5. Up through February Brazil's exports were 93 percent as large as the 733,000 bales exported by the United States during the same period whereas ordinarily they are only 10 to 15 percent as large. One of the most striking shifts in the relative size of American and Brazilian exports to specific countries is with respect to Canada. Up to this season Canada obtained over 90 percent of its cotton requirements from the United States and from August through February last season the United States exported 257,000 bales to Canada compared with only 1,000 bales from Brazil. During the same months this season, however, exports from the United States declined to 103,000 bales while those from Brazil increased to 112,000 bales. Similarly, American exports to Japan dropped from 675,000 to 49,000 bales while Brazil's increased from 82,000 to 238,000. Spain is a third example, for whereas 221,000 bales of American cotton were exported to that country last season, not a single bale has been shipped there this season whereas Brazil shipped 68,000 bales to Spain through February this season compared with 2,000 bales during the same period a year earlier.

Several factors have contributed to the contraction of American exports and the expansion of Brazilian exports. In lengths up to 1 inch Brazilian cotton is reported in many circles to be very directly competitive with American cotton. Consequently, when Brazilian holds a price advantage there is a tendency to use Brazilian rather than American cotton. Brazilian cotton now undersells American cotton in most of the world's markets and had it not been for a relative shortage of available shipping space from Brazil to the Orient, Brazilian exports to Japan and China this season would probably have been still larger relative to those from the United States. Some importing countries have also found it easier to arrange purchases from Brazil or other exporting countries than from the United States, especially when it involved the extension of credit. With many of our former markets no longer accessible and other growers underselling American cotton in the markets which are available, there is apparently no reason to anticipate any marked improvement in the export situation for American cotton this season.

Argentina confirms sale of 120,000 bales
of 1939-40 surplus to Spain

The Argentine Government confirmed the report on February 10 that a credit had been extended to the Government of Spain for the purchase of 120,000 bales of Argentine cotton. The credit terms involve quarterly payments over a period of 2 years. The sale will dispose of practically all of the exportable surplus from the 1939-40 crop. About 97,000 bales of the cotton involved in the sale are pledged to the Argentine Government for a loan of about 6-3/4 cents per pound made to producers. Although most of the cotton is of low quality, the average selling price of about 9-1/3 cents per

pound is high enough to yield a net return to the producers after their loans are repaid.

DEMAND AND CONSUMPTION

BACKGROUND.- Domestic cotton consumption averaged 6.9 million bales per year for the five seasons 1935-39. This season, however, the national defense program with its direct Government purchases of cotton textiles and its effects on consumer incomes, industrial production, and generally improved business activity, will play a large part in raising consumption to a level much above the previous high of almost 8 million bales. The low level of cotton consumption in most foreign countries stands out in sharp contrast with the favorable domestic consumption situation. The present European and Asiatic wars have cut off some countries from their sources of raw cotton, some from their markets for textiles, and in some so increased the demands on limited shipping space, foreign exchange, and labor and power resources that it was necessary to curtail cotton consumption.

United States consumption rises to new high in March

Domestic cotton consumption in March established a new all-time high of 854,000 bales, table 6. This was 61,000 bales larger than in February, 227,000 larger than in March 1940, and 11,000 above the previous record established last January. The increase over January may be attributed to a larger quantity of cotton having been distributed by the Surplus Marketing Administration through its mattress programs in March than in January. On the basis of activity of 80 hours per week, the cotton spindles in the United States were operated during March at 116.7 percent of capacity compared with 114 percent in February and 95 percent a year ago. The annual rate of consumption based on the seasonally adjusted daily rate increased to about 9-3/4 million bales, and the seasonally adjusted index of cotton consumption rose to 147 percent of the 1935-39 average compared with 142 last month and a previous record of 145. The cotton mattress programs of the Surplus Marketing Administration have also made substantial contributions to the high level of domestic cotton consumption.

Increased cotton consumption in any given mill can be brought about in different ways, one of which is to lengthen the hours of spindle operation per week. This could either take the form of lengthening the shift, increasing the number of spindles or adding other shifts, thereby increasing the operating time per spindle. Increased cotton consumption also results from producing a higher proportion of heavy fabrics. All of these methods except that of lengthening the hours per shift have probably been utilized in bringing about the present high level of consumption.

Activity in the cloth market has been comparatively quiet since the last week of March, with production exceeding sales. Some of the inactivity was attributable to the relative scarcity of goods available for nearby

delivery and some may possibly be due to a natural slackening following the unusually active weeks which preceded the lull. In any event it has been estimated by the trade that the volume of unfilled orders increased about one-fourth during March, even though it has declined some since April 1.

Under the stimulus of greatly increased demand, some of which was ever more forceful because of the urgency for early delivery, cloth prices have risen to the highest levels since 1936-37. Between August and March whole-sale cloth prices of 17 constructions 1/ rose from 21.24 cents to 28.90 cents a gain of 7.66 cents or 36 percent. At the same time, the manufacturers' gross margin rose from 11.23 cents to 18.17 cents or from 53 percent to 63 percent of the value of the cloth (see chart on cover page and tables 7 and 8). In the first half of April the margin rose still higher to almost 20 cents. Excluding the processing tax (in effect from August 1933 to December 1935), this is the highest average margin for these constructions since 1925, the earliest date for which data on margins are available.

The sharp increase in prices in recent months and the present high level of manufacturing margins appear to have been occasioned by the exceptionally heavy demand for cotton textiles along with increases or prospective increases in manufacturing costs. A part of the heavy demand for goods is believed to be due to a considerable amount of speculative purchasing in anticipation of possible further increases in raw material or manufacturing costs. Despite the marked increase in output, manufacturers have accumulated a large volume of unfilled orders and many mills have sold all or a large part of their output for many weeks or even several months in advance. Some of the heavy demand for goods for early delivery is said to have been due to the failure of many private buyers to anticipate the increase which has occurred in their sales of cotton goods. Consequently, as the season progressed it became evident that additional purchases were necessary. When these buyers reentered the market to cover additional needs they found it increasingly difficult to place orders for nearby delivery, partly because of large Government purchases. On the strength of increasing consumer demand accompanying the expanding employment and payrolls, buyers bought important quantities at higher prices rather than risk a shortage later in the season.

Consumption continues greatly restricted
in the United Kingdom but exceptionally
high in Canada

Cotton consumption in the United Kingdom continues greatly restricted because of further Government restrictions which became effective about April. The uncertainty as to further developments has also retarded sales, according to recent reports. Up to about the middle of April some 60 out of a total of 400 spinning mills had been ordered to close. Effective April 1, the British Cotton Controller requisitioned all cotton arriving in the United Kingdom in accordance with the terms specified in the original contracts made with the

1/ Average wholesale prices of 17 constructions of unfinished cloth quoted in the International Textile Apparel Analysis. Prices per yard were converted to the approximate quantity obtainable from a pound of cotton with an adjustment for saleable waste.

spinners. In instances where cotton had already been licensed for import the Government will proceed with the importation if freight space can be obtained.

It was not intended that the supply of textiles for military and export needs would be affected by the further curtailment of cotton mill activity. In fact the British are attempting to retain as much of their textile export business as possible and active merchandising campaigns have been undertaken. The whole of the curtailment, therefore, was expected to be borne by further reducing domestic civilian consumption from the level permitted during the 6-month period October 1, 1940-March 31, 1941 when civilian purchases of cotton goods were limited to 37-1/2 percent of the volume purchased in the base period October 1, 1939-March 31, 1940. Silk and linen were limited to one-fourth and rayon to two-thirds of the volume used in the base period. Under the new regulations purchases during the period, April 1 to September 30, 1941, are to be limited to one-fifth in the case of cotton, silk, and linen and two-fifths in the case of rayon, of the volume purchased from April 1 to September 30, 1939. It appears unlikely, however, that the British will be able to hold a very large part of their export business if production and shipping difficulties continue.

During January, February, and March, Canadian cotton consumption continued very high but conditions were greatly changed in one important respect. Prior to this season the United States supplied more than 90 percent of Canada's requirements. This season Canadian mills increased their purchases of Brazilian cotton, which sold in Canada at from 1-1/2 to 3 cents per pound lower than comparable grades of American cotton, and in January for the first time in history the reporting Canadian mills consumed more Brazilian cotton than American. The shift was even more pronounced in February and March and the quantity of Brazilian cotton used in Canadian mills in the coming months will continue to be large. Cotton consumption in India is also at a record high level.

The shortage of cotton in Spain has been alleviated somewhat by the importation of substantial quantities of northern Brazilian cotton and smaller quantities of Egyptian cotton. The further purchase of 120,000 bales of cotton from Argentina is a very important step toward relieving the almost continuously acute shortage of raw cotton which has crippled the Spanish cotton textile industry since last summer. Shipment of this cotton was expected to begin in April. The recent importations made it possible to increase mill activity from 2 days to 3 days per week and it is possible that except for military developments production may be stepped up to 4 days per week in the near future.

Chinese consumption declines, Japan reports
improved demand for textiles

China's consumption of 122,000 bales of cotton in March was 3,000 bales smaller than February, mainly because of a slackening of activity in the Chinese cotton mills located in the Shanghai area to about 85 percent of capacity. During February and March combined 131,000 bales of cotton were imported by China. Of this amount, 102,000 bales were Indian, 17,000 Brazilian, 8,000 American, and 2,000 bales Egyptian. To prevent mill activity from

declining in North China the Japanese have permitted the importation of about 28,000 bales in November and December and 61,000 bales in January, February, and March. This is expected to enable the mills in North China to operate at about 45 percent of capacity. The Japanese have also agreed to the importation of 28,000 bales in North China before the end of September. American cotton may not share particularly well in this importation since it is still relatively overpriced in comparison with Indian and Brazilian.

The North China crop is moving out very slowly despite the increased Japanese official prices. This is largely attributed to an increase in home spinning, which is more profitable. The Chinese find it increasingly difficult to find outlets for their products either by land or boat due to the intensification of the blockade of China by the Japanese.

Japan on the other hand is anticipating an improved demand for its textiles. The outlook in the Japanese spinning industry was recently reported as more reassuring than at any time since last summer. This results largely from a belief that stocks of textiles in many areas are becoming depleted and that the former sources of supply of these areas are in many cases either no longer available or greatly reduced. Better demand has been reported in India, the Near East, the eastern coast of Africa, Australia, Chile, Argentina and Uruguay. The settlement of the disputes between Japan and French Indochina and Thailand in favor of Japan also affected the Japanese textile situation favorably. In response to the increased demand, prices of piece goods advanced about 60 percent from mid-February to the end of March. There were indications that this sudden rise in textile prices has since had an adverse effect on the export demand.

The more favorable condition in the Japanese textile situation had not been reflected in increased imports of raw cotton up to the end of February. However, since consumption is estimated to have materially exceeded imports during the last 5 or 6 months, one might expect a not too distant increase. In fact, there are some indications that March may show an increase. Because of the price disparity between American and foreign cotton (during February, Brazilian cotton sold in Japan at about one-fifth less than comparable grades of American cotton), American cotton is unlikely to figure heavily in any increase if shipping space can be arranged for other cotton.

Germany encourages production of other fibers

Germany has tried in recent years to reduce its dependence on cotton by shifting to other fibers, among which are flax, hemp, synthetic wool, staple fiber and other rayon. Staple fiber has received the main emphasis, and its production is reported to have been increased from 2,000 short tons in 1932 to 170,000 tons in 1938 and 212,000 tons in 1939. Unofficial estimates place 1940 production at close to 331,000 tons. It was pointed out that in evaluating this increase it should be borne in mind that the area of Germany is now 40 percent larger than in 1936. That further expansion of staple fiber production is in prospect is seen in plans to construct in Holland a staple-fiber plant costing 12 million guilders (over 6 million dollars) and a pulp plant costing two-thirds as much. Rayon filament yarn production is also reported to have

increased greatly, from 31,000 short tons in 1932 to 88,000 tons in 1940 with an annual production capacity at the beginning of 1940 of approximately 110,000 tons.

German farmers were encouraged to increase their production of flax in 1940 by being offered premiums for crops of extra fine quality, and by the exchange of linen goods as a payment for a part of the crop delivered. It was expected thereby to increase acreage to 247,000 acres in 1940 compared with 144,000 acres in 1939. This would be the highest acreage on record since the late 1870's. In Bohemia-Moravia the area in flax is reported to have increased from 11,000 acres in 1939 to 32,000 acres in 1940. German hemp acreage gained from 39,000 acres in 1939 to 52,000 acres in 1940.

This expansion of synthetic fiber production has an important bearing on the situation for cotton. Granted that it is the "war" that prevents greater consumption of cotton at the present time on the Continent of Europe, there is no assurance that there will be a return to cotton after hostilities cease and these countries again begin trading with other countries on a more normal basis. Even if at the outbreak of the war synthetic fibers were often inferior to natural fibers for many uses it may be found after the war is over that "necessity was the mother of invention" and that the technology of synthetic fiber production will have been so improved that the output of at least a large part of the existing plants can compete on a free market with the natural fibers in a far wider variety of uses. Furthermore, the necessity of fostering self-sufficiency during the war may be found to have resulted in building a capacity to produce a sufficient volume of synthetic materials sufficient to insure an even higher level of synthetic fiber consumption throughout the world than has yet prevailed.

ACREAGE, PRODUCTION, STOCKS, AND SUPPLY

Over one-third of 1940 Government loan cotton already repossessed

Through April 21 a total of 3,155,315 bales of the current crop had been placed in the 1940 Government loan. The rising price of cotton in recent months has given farmers substantial equities in their loan cotton, however, and by April 21 the loans had been repaid on 1,248,033 bales, table 9. Of this quantity nearly 800,000 bales had been repossessed during the last 5 weeks. In addition to this there were 95,000 bales of 1938 loan cotton repossessed during the 4 weeks ended April 21.

Argentine crop about unchanged

Argentina's 1940-41 cotton production was estimated in early March at 368,971 bales. This was the first official estimate of the current crop and compares with the first estimate of the 1939-40 crop of 370,816 bales and the final 1939-40 production of 362,481 bales. The second estimate probably will be released in May.

The supplementary all Indian cotton forecast for the 1940-41 crop which was announced April 24 gives an acreage of 22,902,000 acres compared with the

earlier estimate of 22,775,000 acres and the corresponding estimate for last season of 21,356,000 acres. Production was estimated at 4,841,000 bales, 478 pounds net, compared with the last forecast of 4,718,000 bales and the corresponding estimate a year ago of 4,136,000 bales.

Spain encourages while Egypt discourages
production of cotton in 1941

In March the Spanish Ministry of Agriculture announced that it would pay a bounty of 2.07 cents per pound on cotton grown on land which is not now in cultivation. To be eligible for payments the land may be either fallow or virgin, but in either event the yield must exceed 40 percent of the national average for the 5-year period 1935-40 exclusive of 1937. This program to stimulate cotton production is in addition to that announced last November which requires that 10 percent of all land which is suitable for the cultivation of cotton must be planted to cotton in 1941.

In February the Egyptian Government enacted legislation forbidding cotton production during 1941 on land already sown to beans, lentils, helba, flax, and barley. They estimated that this will bring about a reduction of from 100,000 to 125,000 bales in the 1941 crop from what it otherwise would have been.

Table 1.- Cotton: Spot price per pound, specified growths at Liverpool and Osaka, specified perious

Season, month or day	Liverpool, England										Osaka, Japan									
	Indian					Egyptian					Brazilian					American				
	Fine Oomra #1					F.G.F. Uppers					Fair, Sao Paulo					American				
	Actual	As a % of	Actual	As a % of	Actual	Actual	As a % of	Actual	As a % of	Actual	Actual	As a % of	Actual	As a % of	Actual	Actual	As a % of	Actual	As a % of	Actual
Mid-ling	Cents	Percent	Cents	Percent	Cents	Cents	Percent	Cents	Percent	Cents	Cents	Percent	Cents	Percent	Cents	Cents	Percent	Cents	Percent	Cents
Fair	Cents	Percent	Cents	Percent	Cents	Cents	Percent	Cents	Percent	Cents	Cents	Percent	Cents	Percent	Cents	Cents	Percent	Cents	Percent	Cents
Staple	Cents	Percent	Cents	Percent	Cents	Cents	Percent	Cents	Percent	Cents	Cents	Percent	Cents	Percent	Cents	Cents	Percent	Cents	Percent	Cents
10-year average	Cents	Percent	Cents	Percent	Cents	Cents	Percent	Cents	Percent	Cents	Cents	Percent	Cents	Percent	Cents	Cents	Percent	Cents	Percent	Cents
1927-28 to																				
1936-37	14.50	77.2	17.12	118.1	14.08	97.1	14.94	11.02	73.8											
1936-37	14.62	74.4	17.40	119.0	14.12	96.6	15.75	11.29	71.7											
1937-38	10.51	77.2	13.10	127.1	10.18	98.7	12.70	9.59	75.5											
1938-39	10.15	70.3	11.80	116.3	9.63	94.9	14.06	7.61	54.1											
1939-40	12.64	78.6	15.76	124.7	12.49	98.8	12.33	8.35	71.8											
1939-40																				
Aug.	10.16	72.6	11.35	111.7	9.37	92.2	9.64	7.35	76.2											
Sept.	11.21	76.4	12.49	111.4	10.71	95.5	10.43	8.28	79.4											
Oct.	10.65	79.0	12.03	113.0	10.45	98.1	10.78	8.28	76.8											
Nov.	11.66	81.1	12.70	108.9	11.59	99.4	10.73	9.23	86.0											
Dec.	14.14	82.7	15.80	111.7	14.14	100.0	13.15	11.29	85.2											
Jan.	14.81	83.1	17.50	118.2	14.87	100.4	13.82	11.03	79.8											
Feb.	13.74	80.7	17.14	124.7	13.94	101.5	13.86	10.06	72.6											
Mar.	13.06	81.8	17.17	131.5	13.23	101.3	13.60	9.39	69.0											
Apr.	13.47	79.4	17.64	131.0	13.47	100.0	13.52	8.88	65.7											
May	12.95	79.0	17.44	134.7	12.95	100.0	12.82	7.67	59.8											
June	12.61	74.3	18.26	144.8	12.43	98.6	12.67	6.89	53.5											
July	13.25	71.4	19.54	147.5	12.71	95.9	12.71	7.82	61.5											
1940-41																				
Aug.	13.50	72.3	20.50	151.9	13.10	97.0	12.31	8.37	68.0											
Sept.	14.20	72.4	21.31	150.1	13.67	96.3	12.03	8.51	70.7											
Oct.	13.65	74.9	20.81	152.5	15.35	97.8	12.22	7.57	61.9											
Nov.	13.84	77.4	20.27	146.5	13.77	99.5	12.45	7.73	62.1											
Dec.	14.20	79.0	19.53	136.1	14.29	100.6	12.70	7.14	56.2											
Jan.	14.62	81.8	18.65	127.6	14.62	100.0	12.65	6.78	53.6											
Feb.	14.40	83.1	18.64	129.4	14.40	100.0	12.65	1/	1/											
Mar.	14.89	83.1	18.62	125.1	14.89	100.0	12.65	1/	1/											
Mar. 7	14.52	82.7	18.65	128.4	14.52	100.0	12.65	1/	1/											
14	14.93	83.1	18.65	124.9	14.93	100.0	12.65	1/	1/											
21	15.01	83.1	18.65	123.9	15.01	100.0	12.65	1/	1/											
28	15.09	83.3	18.58	123.1	15.09	100.0	12.65	1/	1/											

Continued-

Table 1.- Cotton: Spot price per pound, specified growths at Liverpool and Osaka, specified periods
-Continued

Prices at Liverpool are compiled from reports of the Liverpool Cotton Association except for recent weeks which are from cables and reports of the New York Cotton Exchange. Prices were reported in pence per pound and converted to cents per pound at current official rates of exchange. Prices at Osaka are from "The Ten-Days Return of Cotton", Osaka, and cables to the Bureau of Agricultural Economics. They were reported in yen per picul and converted to cents per pound using monthly exchange rates as reported by the Federal Reserve Board; all prices in foreign countries based on net weight.

1/ Not available.

Table 2.- Cotton: Spot price per pound and spread between prices in specified markets, 10-year average 1927-28 to 1936-37 and 1936-37 to date										
Season, month or day	American Middling			Indian			Brazilian		Egyptian Uppers	
	: Spread :		Spread :	: Spread:		:	: Spread :	:	: Spread :	:
	New :	of :	of :	: of :	Spread:	:	: of :	:	: of :	:
	Or- :	Liver- :	Osaka :	Bom- :	Liver- :	of :	Sao :	Liver- :	Alex- :	Liver- :
	leans :	pool :	over :	bay :	pool :	Osaka :	Paulo :	pool :	andria :	pool :
or day	15/16" :	over :	New :	:	over :	over :	:	over :	:	over :
	:	New Or- :	Or- :	:	Bombay :	Bombay :	:	Sao :	:	Alexan- :
	:	leansl/ :	leansl/ :	:	1/ :	:	:	Paulo1/ :	:	dria 1/ :
	:	:	:	:	:	:	:	:	:	:
0-yr. av.	Ct.	Ct.	Ct.	Ct.	Ct.	Ct.	Ct.	Ct.	Ct.	Ct.
1927-28 to :										
1936-37	12.99	1.51	1.95	10.06	1.13	0.96	14.11	-0.03	15.34	1.78
36-37	13.45	1.17	2.30	10.08	.79	1.21	12.95	1.17	15.46	1.94
37-38	9.24	1.07	3.46	7.27	.69	2.32	9.26	.92	10.96	2.14
38-39	9.04	1.11	5.02	6.57	.57	1.04	8.40	1.23	9.92	1.88
39-40	10.23	2.41	2.10	8.13	1.81	.72	9.04	3.45	12.44	3.32
Aug.	9.18	.98	.46	6.76	.62	.59	7.72	1.65	9.12	2.23
Sept.	9.22	1.99	1.21	7.33	1.23	.95	8.69	2.02	9.34	3.15
Oct.	9.12	1.53	1.66	7.46	.95	.82	8.73	1.72	9.14	2.89
Nov.	9.60	2.06	1.13	8.61	.85	.62	9.76	1.83	10.37	2.33
Dec.	10.84	3.30	2.31	10.50	1.19	.79	11.91	2.23	13.26	2.54
Jan.	10.98	3.83	2.84	10.46	1.85	.57	11.35	3.52	15.10	2.40
Feb.	10.87	2.87	2.99	9.16	1.93	.90	10.70	3.24	14.75	2.39
Mar.	10.63	2.43	2.97	8.78	1.90	.61	9.69	3.54	14.92	2.25
Apr.	10.74	2.73	2.78	8.86	1.84	.02	8.87	4.60	15.13	2.51
May	10.25	2.70	2.57	7.76	2.47	-.09	7.58	5.37	13.38	4.06
June	10.74	1.87	2.13	5.64	3.73	1.25	6.69	5.74	12.56	5.70
July	10.55	2.70	2.16	6.19	3.27	1.63	6.79	5.92	12.26	7.28
1940-41 :										
Aug.	9.92	3.58	2.39	6.57	3.19	1.80	6.50	6.60	11.80	8.70
Sept.	9.54	4.66	2.49	6.92	3.36	1.59	6.74	6.93	2/11.91	9.40
Oct.	9.47	4.18	2.75	6.58	3.68	.99	6.74	6.61	3/11.91	8.90
Nov.	9.77	4.07	2.68	6.78	3.93	.95	6.98	6.79	4/	4/
Dec.	9.94	4.26	2.76	6.30	4.92	.84	7.18	7.11	4/	4/
Jan.	10.17	4.45	2.48	5.87	6.09	.91	7.05	7.57	4/	4/
Feb.	10.22	4.18	4/	5.61	6.36	4/	6.84	7.56	4/	4/
Mar.	10.59	4.30	4/	6.35	6.02	4/	6.75	8.14	4/	4/
Mar. 7	10.53	3.99	4/	5.77	6.24	4/	6.73	7.79	4/	4/
14	10.92	4.01	4/	6.30	6.11	4/	6.56	8.37	4/	4/
21	10.65	4.16	4/	6.88	5.61	4/	6.81	8.20	4/	4/
28	11.12	3.97	4/	6.51	6.07	4/	6.89	8.20	4/	4/
Apr. 4	11.10	4/	4/	6.03	4/	4/	7.25	4/	4/	4/
11	11.10	4/	4/	6.15	4/	4/	6.81	4/	4/	4/
18	11.05	4/	4/	6.25	4/	4/	7.05	4/	4/	4/

Prices at New Orleans are from records of the Agricultural Marketing Service. Prices at Bombay are from Bombay Cotton Annual and Financial News through Oct. 1940; since then from New York Cotton Exchange reports. They were converted from rupees per candy of 784 pounds at current rates of exchange (buying rates in recent weeks) as reported by the Federal Reserve Board.

Prices at Sao Paulo are from official publications and cables. Prices were converted from milreis per 15 kilograms at current rates of exchange until Sept. 1934, Oct. 1934 to Feb. 10, 1935, at open or free market rates, and from Feb. 11 to date at composite averages of official and free market rates; except from Nov. 16, 1937 through Apr. 10, 1939 when free market rates were used. Prices at Alexandria are from the Monthly Bulletin of Agricultural and Economic Statistics. Prices were converted from tallaris per cantar at current monthly rate of exchange through Aug. 1939; since Sept. 1939 converted at official rate of exchange. American prices in United States based on gross weight; all prices in foreign countries based on net weight. 1/ See preceding table for prices at Liverpool and Osaka. 2/ Price on Sept. 6. 3/ Average of eight quotations through Oct. 1-16. 4/ Not available.

Table 3.- Cotton, all kinds: Exports from the United States and percentage change, 1935-40

	Year beginning August				
Period	Average	1939	Actual	1940 1/ As a percentage of	
	1935-39			Average	1939
				1935-39	
	1,000	1,000	1,000		
	running	running	running		
	bales	bales	bales	Percent	Percent
Aug.	211.9	214.5	65.4	30.9	30.5
Sept.	541.4	644.3	90.6	16.7	14.1
Oct.	744.2	885.2	194.7	26.2	22.0
Nov.	737.1	583.6	144.7	19.6	24.8
Dec.	681.1	806.7	112.6	16.5	14.0
Jan.	610.7	1,035.4	56.2	9.2	5.4
Feb.	460.3	746.7	68.6	13.2	8.1
Mar.	412.4	433.8	97.3	23.6	22.4
Aug.-Mar.	4,399.4	5,350.4	830.0	18.7	15.4
Apr.	325.2	344.6	---	---	---
May	247.5	226.5	---	---	---
June	190.0	133.5	---	---	---
July	143.9	136.8	---	---	---
Total for season	5,305.9	6,191.7	---	---	---

Compiled from reports of the Bureau of Foreign and Domestic Commerce and the Bureau of the Census.

1/ Preliminary.

Table 4.- Cotton: Exports from specified countries, average 1929-30 to 1938-39, and seasons 1938-39 to date

Country of origin and destination	Mar.				Pct.	Aug.-Mar.				Pct.
	10-yr:	1941	10-yr:	1940-41		10-yr:	1941	10-yr:	1940-41	
	av. :	as :	av. :	as :		av. :	as :	av. :	as :	
	1929-:1939	1940	1941	a		1929-:1938-:1939-:1940-:	a	1929-:1938-:1939-:1940-:	a	
	30 to:			pct.		30 to: 39	40	41	pct.	
	1938-:			of		1938-:			of	
	39 :			1940		39 :			1939-40	
	1,000	1,000	1,000	1,000		1,000	1,000	1,000	1,000	
	bales	bales	bales	bales		bales	bales	bales	bales	
	1/	1/	1/	1/	Pct.	1/	1/	1/	1/	Pct.
United States to:										
United Kingdom..	79	32	111	4	3.6	951	351	1,637	344	21.0
Canada	16	11	36	23	63.9	160	153	293	126	43.0
Japan	129	126	74	8	10.8	1,132	720	750	57	7.6
China	18	16	24	16	66.7	201	60	379	37	9.8
Russia	0	0	0	0	.0	13	0	0	139	---
Germany	85	30	0	0	.0	878	256	19	0	.0
France	40	16	51	0	.0	576	320	669	0	.0
Italy	47	32	57	0	.0	413	229	442	0	.0
Spain	17	2/	16	0	.0	145	15	237	0	.0
Belgium	11	9	11	0	.0	117	76	189	0	.0
Other coun-:										
tries	57	58	54	3/46	85.2	468	606	735	119	16.2
Total 4/	499	330	434	97	22.4	5,054	2,786	5,350	822	15.4
Brazil to	Feb.				Pct.	Aug.-Feb.				Pct.
	10-yr:	1941	10-yr:	1940-41		10-yr:	1941	10-yr:	1940-41	
	av. :	as :	av. :	as :		av. :	as :	av. :	as :	
	1929-:1939	1940	1941	a		1929-:1938-:1939-:1940-:	a	1929-:1938-:1939-:1940-:	a	
	30 to:			pct.		30 to: 39	40	41	pct.	
	1938-:			of		1938-:			of	
	39 :			1940		39 :			1939-40	
	1,000	1,000	1,000	1,000		1,000	1,000	1,000	1,000	
	bales	bales	bales	bales		bales	bales	bales	bales	
	1/	1/	1/	1/	Pct.	1/	1/	1/	1/	Pct.
Japan	5/	30	0	41	---	5/	169	82	238	290.2
United Kingdom..	5/	8	37	14	37.8	5/	148	169	91	53.8
Portugal	5/	2/	1	0	.0	5/	9	24	5	20.8
Canada	5/	0	0	14	---	5/	0	1	112	11,200.0
United States ..	5/	2/	0	3	---	5/	2/	2	24	1,200.0
China	5/	33	4	7	175.0	5/	69	39	88	225.6
Spain	5/	0	0	3	---	5/	0	2	68	3,400.0
Other coun-:										
tries	5/	28	20	3	15.0	5/	294	192	57	29.7
Total 4/	38	99	62	85	137.1	308	689	511	683	133.7

Compiled from official sources.

1/ American in running bales (counting round bales as half bales), foreign in bales of 478 pounds net.

2/ Less than 500 bales.

3/ Of this 46,000 bales, 21,000 went to Sweden, 15,000 to French Indo-China, 5,000 to Finland, and smaller quantities to Chile, Cuba, Australia, and the Philippine Islands.

4/ Totals were made before figures were rounded to thousands.

5/ Not available by countries.

Table 5.- A comparison of American and Brazilian exports of cotton to specified countries, August-February 1935-36 to 1939-40 average, 1939-40, and 1940-41

Destination	August-February											
	1935-39 average				1939-40				1940-41 1/			
	Exports from :				Exports from :				Exports from :			
	Brazil		United States		Brazil		United States		Brazil		United States	
	:Percent-	:Percent-	:Percent-	:Percent-	:Percent-	:Percent-	:Percent-	:Percent-	:Percent-	:Percent-	:Percent-	:Percent-
	States : Number :	States : Number :	States : Number :	States : Number :	States : Number :	States : Number :	States : Number :	States : Number :	States : Number :	States : Number :	States : Number :	States : Number :
	:	:	:	:	:	:	:	:	:	:	:	:
	:	American:	American:	American:	American:	American:	American:	American:	American:	American:	American:	American:
	:	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
	:	bales 2/	bales 2/	bales 2/	bales 2/	bales 2/	bales 2/	bales 2/	bales 2/	bales 2/	bales 2/	bales 2/
:	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	
Japan	759	76	10.0	675	82	12.1	49	7.3	238	290.2	485.7	
China	89	23	25.8	355	39	11.0	29	8.2	38	225.6	303.4	
Canada	185	3/	---	257	1	.4	103	40.1	112	11,200.0	108.7	
United Kingdom :	999	144	14.4	1,526	169	11.1	340	22.3	91	53.8	26.8	
Spain	109	3/	---	221	2	.9	6	.0	68	3,400.0	----	
Other countries :	1,846	283	15.3	1,883	218	11.6	212	11.3	86	39.4	40.6	
Total	3,987	526	13.2	4,917	511	10.4	733	14.9	683	133.7	93.2	

Compiled from official sources.

1/ Preliminary.

2/ American in running bales (counting round bales as half bales), Brazilian in bales of 478 pounds net.
3/ Less than 500 bales.

3/ Less than 500 bales.

Table 6 - Cotton, all kinds: Consumption in the United States
and percentage change, 1935-40

Period	Year beginning August				
			1940 1/		
	Average	1939	Actual	As a percentage of	
	1935-39			Average	1939
				1935-39	
	1,000	1,000	1,000		
	running	running	running		
	bales	bales	bales	Percent	Percent
Aug.	555.4	630.7	654.5	117.8	103.8
Sept.	567.9	624.2	639.3	112.6	102.4
Oct.	591.7	686.5	770.7	130.3	112.3
Nov.	587.2	718.7	744.1	126.7	103.5
Dec.	568.5	650.1	775.5	136.4	119.3
Jan.	606.5	731.8	843.3	139.0	115.2
Feb.	566.6	661.8	793.6	140.1	119.9
Mar.	623.5	627.2	854.2	137.0	136.2
Aug.-Mar.	4,667.3	5,330.7	6,075.1	130.2	114.0
Apr.	575.0	623.1	---	---	---
May	574.9	641.6	---	---	---
June	564.6	565.4	---	---	---
July	556.5	622.7	---	---	---
Total for year	6,938.3	7,783.8	---	---	---

Compiled from reports of the Bureau of the Census.

1/ Preliminary.

Table 7. - Cotton prices, unfinished cloth prices¹ (17 constructions), and mill margins 1925-26 to date

Year beginning August	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Average
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Raw cotton prices ²													
1925	24.08	23.75	21.46	20.74	20.24	21.04	20.55	19.13	18.77	18.62	18.39	18.61	20.45
1926	18.29	16.48	18.09	12.89	12.44	13.46	14.16	14.56	14.93	16.28	14.96	18.16	15.16
1927	19.99	22.10	21.08	20.44	19.61	18.94	18.34	19.33	20.14	21.07	21.30	21.68	20.33
1928	19.12	18.19	18.91	19.24	19.53	19.34	19.34	20.25	19.44	18.88	19.12	19.38	19.23
1929	18.77	18.66	18.29	17.15	17.15	17.32	15.87	15.69	16.34	15.85	13.93	13.14	16.52
1930	11.72	10.67	10.35	10.66	9.73	9.94	10.68	10.71	10.02	9.23	9.08	9.39	10.18
1931	7.15	6.80	6.15	6.33	6.15	6.50	6.72	6.73	6.15	5.65	5.52	5.79	6.26
1932	7.33	7.64	6.71	6.31	6.03	6.27	6.19	6.59	7.10	8.80	9.60	10.84	7.45
1933	18.57	18.44	13.45	13.93	14.12	15.23	16.43	16.42	16.10	15.65	16.42	16.96	15.14
1934	17.56	17.88	16.87	16.98	17.06	17.07	17.00	16.04	16.37	16.82	16.44	16.98	16.85
1935	15.81	14.90	15.37	16.29	16.20	12.14	11.89	12.00	12.18	12.12	12.57	13.58	13.77
1936	12.72	12.63	12.72	12.74	13.34	13.59	13.68	14.95	14.62	13.90	13.33	12.95	13.43
1937	10.79	9.20	8.68	8.40	8.74	9.08	9.42	9.43	9.29	8.99	8.99	9.86	9.20
1938	8.88	8.49	8.95	9.03	8.85	8.94	8.94	9.03	8.87	9.54	9.90	9.77	9.20
1939	9.29	9.17	9.11	9.49	10.56	10.89	10.89	10.70	10.72	10.21	10.58	10.48	10.18
1940	10.01	9.57	9.47	9.76	9.98	10.22	10.27	10.73					
1941													
Wholesale cloth prices ¹													
1925	39.29	40.11	39.87	38.35	37.61	37.48	37.45	35.38	34.42	33.53	32.21	32.06	36.48
1926	32.90	32.82	30.54	29.23	28.41	28.77	29.48	30.02	29.93	30.59	31.77	32.30	30.57
1927	35.24	38.63	37.20	35.55	34.28	33.81	32.98	32.73	32.76	33.86	33.20	34.29	34.55
1928	33.12	32.49	33.46	33.58	33.65	33.20	32.74	33.26	32.85	31.90	31.69	31.91	32.82
1929	32.72	33.04	33.34	32.60	30.66	30.06	29.12	27.90	27.88	27.55	26.32	25.26	29.71
1930	23.73	23.64	23.86	24.08	22.78	22.12	21.90	22.49	21.82	20.91	20.31	20.55	22.35
1931	18.54	17.34	16.38	15.92	15.22	15.51	16.33	16.35	15.77	14.05	13.45	13.44	15.69
1932	15.72	17.82	16.48	14.96	14.25	14.02	13.69	14.62	15.37	19.75	24.59	28.94	17.52
1933	31.58	29.30	28.96	27.99	27.66	29.18	30.58	30.18	29.41	27.85	28.04	28.86	29.13
1934	30.21	30.95	29.73	28.72	29.04	29.24	28.76	27.72	27.60	27.93	27.59	27.15	28.72
1935	27.46	27.81	28.72	29.13	29.25	25.86	25.15	24.78	24.14	23.74	24.47	25.30	26.40
1936	26.44	26.66	27.60	29.34	31.04	31.81	31.54	32.79	33.20	31.56	29.79	28.47	30.02
1937	25.98	28.58	22.24	21.19	20.42	20.55	20.62	20.59	20.25	20.11	19.80	20.88	21.35
1938	20.25	19.72	19.83	19.81	19.54	19.40	18.99	19.14	18.88	18.89	19.74	20.29	19.54
1939	20.71	23.75	24.94	24.51	24.38	24.25	23.14	22.29	22.12	21.58	21.26	21.48	22.86
1940	21.24	21.83	22.78	24.00	24.48	25.16	25.27	28.90					
1941													
Mill margins ³													
1925	15.21	16.36	18.41	17.61	17.37	16.44	16.90	16.25	15.65	14.91	13.82	13.45	16.03
1926	14.61	16.34	17.45	16.34	15.77	15.31	15.32	15.46	15.00	14.41	14.81	14.14	15.41
1927	15.27	16.53	16.12	15.11	14.67	14.87	14.64	13.40	12.62	12.79	11.90	12.66	14.22
1928	14.00	14.30	14.55	14.34	14.12	13.86	13.88	13.00	13.41	13.02	12.57	12.53	13.59
1929	13.95	14.38	15.05	15.45	13.51	12.74	13.25	12.21	11.54	11.70	12.39	12.10	13.19
1930	12.01	12.97	13.51	13.42	13.05	12.18	11.24	11.78	11.80	11.65	11.23	11.16	12.17
1931	11.89	11.04	10.23	9.59	9.07	9.01	9.61	9.62	9.61	8.40	7.93	7.65	9.43
1932	8.39	10.18	9.77	8.55	8.22	7.75	7.50	8.03	8.27	10.95	14.99	18.10	10.07
1933	18.01	15.86	15.51	14.05	13.54	13.95	14.15	13.76	13.31	12.20	11.62	11.90	13.99
1934	12.65	13.62	12.86	11.74	11.98	12.17	11.76	11.68	11.23	11.11	11.15	10.47	11.87
1935	11.65	12.91	13.95	12.84	13.06	13.70	13.26	12.78	11.96	11.62	11.90	12.72	12.63
1936	13.72	14.03	14.88	15.60	17.70	18.22	17.36	17.84	18.58	17.66	16.46	15.52	16.59
1937	15.14	14.38	13.56	12.79	11.68	11.47	11.20	11.16	10.97	11.12	10.81	11.52	12.15
1938	11.42	11.23	10.88	10.78	10.69	10.46	10.05	10.11	10.01	9.33	9.84	10.52	10.44
1939	11.42	14.58	15.83	15.02	13.72	13.35	12.25	11.59	11.40	11.37	10.68	11.00	12.68
1940	11.23	12.26	13.31	14.24	14.50	14.94	16.00	18.17					
1941													

¹Average wholesale prices of 17 constructions of unfinished cloth quoted in the International Textile Apparel Analysis. Prices per yard were converted to the approximate quantity obtainable from a pound of cotton with an adjustment for saleable waste.

²Average prices of Middling 7/8-inch cotton in the 10 spot markets plus the average grade and staple premiums and discounts on the qualities of cotton assumed to be used in each kind of cloth.

³Difference between adjusted cloth prices and prices of raw cotton. From August 1933 to December 1935 a processing tax of 4.00 cents per lb. of cotton (gross weight) is included in this margin.

Table 8.- Cotton prices, mill margins and specified index numbers, United States, annual 1929-39, monthly August 1940-January 1941 1/

Year	:Price of cotton per pound:				: Index numbers			
	: Received	: Parity	: cotton-	: Mill	: Cotton	: Industrial	: Whole-	: Prices
beginning	by farmers	Aug.	15th of	month	consump-	produc-	sale	paid,
Aug.	15th of	month	2/	3/	(1935-39	(1935-39	(1910-14	interest
			2/	3/	100)	100)	100)	and
			2/	3/	100)	100)	100)	taxes
			2/	3/	100)	100)	100)	(1910-14 =
			2/	3/	100)	100)	100)	100)
	Cents	Cents	Cents	Cents				
1929	15.50	20.30	16.24	13.19	91	101	134	163
1930	9.22	18.35	10.02	12.17	78	81	114	148
1931	5.61	15.84	6.10	9.43	73	63	99	128
1932	6.90	14.29	7.29	10.07	92	62	92	115
1933	10.55	15.52	11.00	13.95	85	76	106	125
1934	12.27	16.28	12.70	11.83	80	79	114	131
1935	11.29	15.76	11.92	12.63	94	96	117	127
1936	12.64	16.63	13.29	16.59	120	116	124	134
1937	8.39	16.25	9.09	12.15	86	92	119	131
1938	8.38	15.66	9.00	10.44	103	99	112	126
1939	9.50	15.81	10.09	12.68	116	117	114	128
1940-41 7/								
August	9.23	15.75	9.91	11.23	124	121	113	127
September	9.23	15.75	9.48	12.26	120	125	114	127
October	9.35	15.75	9.38	13.31	126	129	115	127
November	9.38	15.75	9.66	14.24	135	132	116	127
December	9.33	15.87	9.86	14.50	145	138	117	128
January	9.45	15.87	10.10	14.94	138	139	118	128
February	9.44	15.87	10.13	16.00	142	141	118	128
March	9.72	15.87	10.58	18.17	147	143	119	128

All annual data on an August 1 year. The annual figure is the simple average of the 12 monthly figures.

Average United States farm price for the 5 years August 1909-July 1914 of 12.4 cents times the index of prices paid by farmers, interest, and taxes (1910-14=1.00).

Prices for 1929 through 1938 are the premiums of 15/16" cotton at six markets (Dallas, Galveston, Houston, Little Rock, Memphis, and New Orleans) added to the price of 7/8" cotton in the same markets. Since 1939 prices are as quoted on middling 15/16" cotton in the ten designated markets.

Mill margins on unfinished cloth (17 constructions).

Federal Reserve Board, adjusted for seasonal variation.

Bureau of Labor Statistics 1926 = 100, converted to 1910-14=100.

Preliminary.

Table 9.- Cotton: Number of bales entering and being withdrawn from the 1940 Government loan, by weeks

Week ended:	Entering loan		Withdrawals		Remaining in loan
	During	Cumulative	During	Cumulative	
	week	total	week	total	
	Bales	Bales	Bales	Bales	Bales
Sept. 9 <u>1/</u>	2,701	2,701	0	0	2,701
16	10,092	12,793	0	0	12,793
23	60,899	73,692	0	0	73,692
30	84,910	158,602	0	0	158,602
Oct. 7	173,464	332,066	0	0	332,066
14	219,140	551,206	0	0	551,206
21	290,233	841,439	0	0	841,439
28	285,131	1,126,570	720	720	1,125,850
Nov. 4	296,858	1,423,428	175	895	1,422,533
12 <u>2/</u>	226,654	1,650,082	13	908	1,649,174
18	271,432	1,921,514	0	908	1,920,606
25	152,044	2,073,558	2,514	3,422	2,070,136
Dec. 2	166,421	2,239,979	0	3,422	2,236,557
9	144,517	2,384,496	282	3,704	2,380,792
16	118,647	2,503,143	0	3,704	2,499,439
23	100,598	2,603,741	179	3,883	2,599,858
30	62,418	2,666,159	3,493	7,376	2,658,783
Jan. 6	49,222	2,715,381	4,642	12,018	2,703,363
20 <u>3/</u>	135,648	2,851,029	0	12,018	2,839,011
27	51,853	2,902,887	16,210	28,228	2,874,659
Feb. 3	39,177	2,942,064	27,684	55,912	2,886,152
10	38,798	2,980,862	50,205	106,117	2,874,745
17	23,875	3,004,737	77,995	184,112	2,820,625
24	55,662	3,060,399	62,830	246,942	2,813,457
Mar. 3	44,128	3,104,527	57,525	304,467	2,800,060
10	13,252	3,117,779	72,297	376,764	2,741,015
17	9,666	3,127,445	72,614	449,378	2,678,067
24	11,645	3,139,090	242,009	691,387	2,447,703
31	7,672	3,146,762	232,231	923,618	2,223,144
Apr. 7	4,088	3,150,850	94,370	1,017,988	2,132,862
14	2,009	3,152,859	161,198	1,179,186	1,973,673
21	2,456	3,155,315	68,847	1,248,033	1,907,282

Compiled from records and reports of the Commodity Credit Corporation.

1/ First day any loans on the 1940-41 crop were made.

2/ November 11 was a holiday.

3/ Total for 2 weeks; no report was released on January 13 as the compiling office was being moved to New Orleans, Louisiana.